
BOARD OF DIRECTORS

Myrle Book
Jack Friedman, Q.C.
Keith Lansing
Allen Lastman
Marilyn Lastman
Melvin Lastman

OFFICERS

Melvin Lastman – *President*
Allen Lastman – *Executive Vice President and
Secretary-Treasurer*
Keith Lansing – *Vice President,
Corporate Development*
Ben Mandell – *Vice President, Sales*
Samuel Stenzler – *Vice President, Advertising*

TRANSFER AGENT AND REGISTRAR

The Royal Trust Company

AUDITORS

Laventhol Krekstein Horwath and Horwath

HEAD OFFICE

Bad Boy Appliances and Furniture Limited
76 Miranda Avenue
Toronto 341, Ontario
Telephone: (416) 787-1681

BAD BOY Appliances and Furniture Limited



PRELIMINARY REPORT TO THE SHAREHOLDERS

For the 24 weeks ended
September 16th, 1972

BAD BOY Appliances and Furniture Limited
and wholly-owned subsidiary

To The Shareholders

On behalf of your Board of Directors, I am pleased to submit the unaudited Statement of Earnings and Statement of Source and Application of Funds for the 24 weeks ended September 16, 1972. Total sales for the 24 week period increased 47.0% to \$14,654,000 as compared with \$9,968,100 in the same period of 1971. Unaudited earnings after provision for income taxes improved by 58.6% during this period, rising from \$332,000 to \$526,600. Earnings per share were 52.7¢ as compared with 33.2¢ for 1971.

The new Kingston, Ontario location was opened in October as planned and was the most successful grand opening in the Company's history. In the early part of 1973, we will open a new store in Ottawa, Ontario and will re-locate our 2882 Lakeshore Boulevard West, Etobicoke store in larger premises. The Ottawa location will be our first Bad Boy store in this market area. The Company's continuing programme of upgrading and expanding existing locations was furthered in the most recent interim period with major additions to the 1400 Bathurst Street, Toronto and 2780 Dufferin Street, North York stores along with a complete refurbishing of the 1165 Kennedy Road, Scarborough location. A number of other sites are presently under negotiation and will be announced when commitments are finalized.

In October, management decided to utilize its wholly-owned subsidiary Grand Union Holdings Limited for site acquisitions. We look forward to a further improvement in sales and earnings during the balance of the fiscal year.

Melvin Lastman
President

November, 1972.

STATEMENT OF EARNINGS (UNAUDITED)

for the twenty-four (24) weeks ended September 16, 1972

	September 16, 1972	September 18, 1971
Sales.....	\$14,654,000	\$ 9,968,100
Earnings from operations before the following charges	1,071,700	681,400
Depreciation and amortization.....	39,100	17,900
Income before income taxes.	1,032,600	663,500
Income taxes.....	506,000	331,500
Net earnings.....	\$ 526,600	\$ 332,000
Earnings per share.....	52.7¢	33.2¢

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (UNAUDITED)

	Twenty-four weeks ended September 16, 1972	Twenty-four weeks ended September 18, 1971
Source of funds:		
Operations:		
Net earnings.....	\$ 526,600	\$ 332,000
Add: Non-cash charges to earnings:		
Depreciation and amortization of fixed assets....	39,100	17,900
	\$ 565,700	\$ 349,900
Application of funds:		
Land and improvements under construction....	275,600	—
Less: Mortgage thereon, long-term portion	165,000	—
	\$ 110,600	—
Deposits on land.....	20,000	—
Store improvements and other fixed assets.....	208,400	147,100
	\$ 339,000	\$ 147,100
Increase in working capital..	226,700	202,800
Working capital at beginning of period.....	2,354,800	2,469,500
Working capital at end of period.....	\$ 2,581,500	\$ 2,672,300

NOTE: The company, subsequent to September 16, 1972, completed construction of its Kingston property which presently is being negotiated for sale and lease back, with a closing date in 1972.